

South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC UPDATE

Despite significant swings in employment during August and September, there is typically little statistical impact, and that was the case again this year in south central Idaho. The unemployment rates remained low without major changes. Harvest saw food manufacturers and farmers ramp up their hiring of truck drivers, equipment operators, potato sorters, weigh station attendants and food processing workers who can the sweet corn and ensure only quality potatoes are cut into standard-sized French fries. At the same time, employees may be working additional seasonal jobs they regularly take in the fall to augment income or earn holiday money. They may be working hours that creep into the double digits and then some. At home, they may have kids leaving for college, giving up their part-time or full-time summer jobs. Some retailers are reducing hours or positions as they close their garden centers, but others are gearing up for school shopping. Teachers have returned en masse to their jobs and that includes support positions – bus drivers, hot lunch workers, day care providers and many others who contribute to the educational system. Restaurants and drinking establishments, recreational businesses such as golf courses, city pools and hospitality arenas have earned a sojourn for a few months before the holiday season gets frenetic with parties and travel. But construction continues apace, facing completion deadlines before the frigid temperatures set in. The government sector will be laying off firefighters, agricultural inspectors, and some ranger and campground positions. August and September truly have employment ups and downs across the economy, but at the end of the quarter, the numbers belie the reality of that constant state of flux.

AREA DEVELOPMENTS

LINCOLN COUNTY

- The Shoshone District of the Bureau of Land Management has begun reha-

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	Sep 2007*	Aug 2007	Sep 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	49,960	48,340	49,510	3.4	0.9
Unemployment	940	1,050	1,510	-10.5	-37.7
% of Labor Force Unemployed	1.9	2.2	3.0		
Total Employment	49,020	47,290	48,000	3.7	2.1
<i>Unadjusted</i>					
Civilian Labor Force	49,980	49,180	50,130	1.6	-0.3
Unemployment	690	850	1,200	-18.8	-42.5
% of Labor Force Unemployed	1.4	1.7	2.4		
Total Employment	49,290	48,330	48,930	2.0	0.7
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	41,850	41,650	39,980	0.5	4.7
Goods-Providing Industries	8,290	8,250	7,550	0.5	9.8
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	2,610	2,660	2,410	-1.9	8.3
Manufacturing	5,650	5,560	5,110	1.6	10.6
Food Manufacturing	3,370	3,280	2,960	2.7	13.9
Other Manufacturing	2,280	2,280	2,150	0.0	6.0
Service-Providing Industries	33,560	33,400	32,430	0.5	3.5
Trade, Transportation & Utilities	10,280	10,240	9,730	0.4	5.7
Wholesale Trade	1,980	2,010	1,870	-1.5	5.9
Retail Trade	6,030	6,060	5,810	-0.5	3.8
Utilities	140	150	160	-6.7	-12.5
Transportation & Warehousing	2,130	2,020	1,890	5.4	12.7
Information	650	680	620	-4.4	4.8
Financial Activities	1,680	1,690	1,690	-0.6	-0.6
Professional & Business Services	5,160	5,170	5,350	-0.2	-3.6
Educational & Health Services	5,360	5,330	5,030	0.6	6.6
Leisure & Hospitality	3,320	3,360	3,190	-1.2	4.1
Other Services	1,490	1,550	1,460	-3.9	2.1
Government Education	3,200	2,940	2,940	8.8	8.8
Government Administration	2,420	2,440	2,420	-0.8	0.0

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

bilitating the desert burned by wildfires over the summer. The project requires warehouse workers, archeologists and tractor operators pulling seed drills. The warehouse workers have mixed seed varieties including 80 percent native plants and grasses – 30 varieties of plants and approximately 1.2 million pounds of seed ready for sowing from Shoshone to the Nevada border. The archeologists must investigate burned areas for artifacts that have been exposed before

rehabilitation can begin. The government is most concerned about a low supply of sagebrush seeds and has set up a program to oversee volunteers collecting them. Hopefully most of the seed will be drilled before the ground freezes. Many of these planting contractors are on 70-day contracts, but the Bureau of Land Management estimates it could take up to three years for the project to be completed. Last year 90,000 acres were rehabilitated.

MINI-CASSIA

- Mustang Sally's Bar and Grill has opened in Paul, offering full breakfast, lunch and dinner options seven days a week. Later in the year, a bar with live music and dancing will be added.
- Burley's mortuary services will soon be narrowed to one after remodeling and expansion is completed at the Hansen Mortuary. The Keystone Group owns both the Payne Mortuary and the Hansen Mortuary and wants to provide a fully updated facility for the community. The mortuary will be renamed Hansen-Payne Mortuary in February 2008 when all renovations are finished and the Payne Mortuary property will be sold.
- Cassia County approved a request from East Valley Cattle to operate three 7,500-animal feedlots near Malta. The county code caps any permit at 7,500, forcing the company to set up three operations. The company plans to eventually have a total of 31,000 head on its 800 acres. The issue has been whether to concentrate the animals and minimize the number of neighbors affected or scatter the feedlots. The biggest concern for the county was how East Valley would dispose of waste. The company plans to compost and spread the manure on neighboring fields.
- North Side Canal Co. is recharging the Snake River Plain Aquifer with 20,000 acre feet of water under a mitigation agreement between groundwater users and surface water users. This is the largest recharge effort to date and it is considered a risky undertaking since the results are uncertain. The hope is that the water will re-emerge at Thousand Springs within the next six months. The water must be released slowly from Milner Reservoir for maximum absorption by the aquifer through the canal's cracks and crevices. But if heavy frost causes the slowly moving water to ice up, then canal hydro equipment could be damaged and the water release would cease. The cost of the water is \$400,000, which doesn't include the price paid to North Side Canal to transport the water down the canal system. The Idaho Groundwater Appropriators and Idaho Dairymen's Association are financing the recharge. It started after the irrigation season ended in late October. Letters warning of curtailment for next year's irrigation season have been sent to 2,700 junior water rights holders. Heyburn and Paul have city wells that could be affected should the snow pack be marginal again this winter. Mini-Cassia area farmers would be particularly hard hit by a curtailment.
- Fairfield Inn by Marriott is enjoying the novelty of being the new kid on the block in Burley. Celebrations have included an open house in September and a grand opening at the end of October. The hotel was sold out on a Monday night, in part because of construction crews working on commercial projects. The motel has 81 rooms with 13 suites available, a conference room seating up to 50, a pool, workout facility and business center. All rooms have flat screen, high definition televisions.
- Pomerelle Mountain Resort's owner, Woody Anderson, was recently inducted into the Will and Jean Pickett Intermountain Ski Hall of Fame at Olympic Park in Park City, Utah. Anderson grew up skiing in Utah and has been professionally active since he was 15 years old. He has diversified his interests in skiing but not strayed far since then, having owned ski shops, operated ski schools and owned and operated Pomerelle since 1973. In addition, Anderson has been an innovator by implementing the concept of the 450-foot Magic Carpet at Pomerelle, which transports beginning snowboarders and skiers up the beginner hill. It is an escalator of sorts and alleviates the woes of mounting and dismounting that can discourage learners. Pomerelle has recently been granted permission to expand its runs and also to divert melting water to a reservoir for making snow.
- Boise Cascade, known as the Box Factory in Minidoka and Cassia counties, has recently been sold in a piecemeal transaction that includes paper, packaging and newsprint operations. The buyer is Aldabra 2 Acquisition Corp. There are no planned staffing changes.
- DaVita Dialysis Center recently moved to a new facility. Ten employees have been providing dialysis to 40 individuals at the previous location in Park View Care & Rehabilitation Center. The new location offers easy access from the interstate, new equipment and flat screen televisions.

GOODING COUNTY

- After 71 years in business, the Gooding Seed Co. has been sold to Helena Chemical Co. Gooding Seed started as a joint partnership between Robbie Robertson, Joe Johnson and J.B. Purdum. Originally, the company handled seeds and beans with locations in Gooding, Shoshone and Mountain Home. Later, the partnership dissolved and Joe Johnson took over the bean division. The seed operation con-

tinued on with Gooding Seed and the Farmer's Warehouse in Mountain Home. They later built a bulk fertilizer plant a few blocks from the seed operation. The change of ownership is the result of the changing face of agriculture in the United States. Operations must continue to grow bigger and keep up with research and development to be competitive. Helena Chemical is based in Collierville, Tenn., with other Idaho operations in Burley, Caldwell, Hazelton and Paul. It has extensive operations nationwide and a specialty division that includes chemical applications for ponds and lakes, a forestry division for keeping large tracts of trees healthy and thriving and a turf and ornamentals division that consults on golf course and sports field maintenance and sod farms.

- A grand opening was held at Thousand Springs Resort, formerly Sligars 1000 Springs Resort. The resort's amenities include a large indoor hot springs pool, jetted hot tubs, camping facilities and boat docks. It is located in the picturesque Hagerman Valley on U.S. Highway 30, the Thousand Springs Scenic Byway. Thousand Springs is located directly across from the resort and spills out of the canyon wall like a sieve year round. The Henslee family purchased this longstanding resort from Marge Sligar.

BLAINE COUNTY

- Marijuana is on a voting initiative for Hailey residents this November when they choose their city leaders. Ryan Davidson, chairman of Liberty Lobby of Idaho and a pro-marijuana advocate, has gathered the required number of signatures to put legalization of marijuana for medical use to voters. The proposition would also lower the priority of enforcing marijuana law for Hailey City Police and allow the industrial use of hemp, a by-product of marijuana.
- The former head of Idaho hedge fund Wood River Capital Management LLC was sentenced to three years in prison after pleading guilty to securities fraud and other charges earlier this year. Forty-one-year old John H. Whittier failed to disclose beneficial interest in excess of federal standards, and investors lost \$88 million in 2005. U.S. District Judge Jed S. Rakoff ordered Whittier to forfeit \$5.5 million. Restitution will be imposed at a later date and could total the full amount lost by investors.
- Blaine County commissioners have approved removal of gravel by Valley Paving from the Big Wood River channel 150 yards downstream from Glendale Bridge when the river bed is dry. Gravel removal adds years to the bridge's life.
- The Williams Market building sold earlier this year to development company VPI based in the Wood River Valley. There are no public plans for the building, but

it is in a strategic location for a variety of uses such as office, retail or recreation.

- Icebreaker, a high-end performance clothing manufacturer, is gradually ceasing backroom operations leaving 20 employees facing a layoff or a move to Portland, Ore., where the sales and marketing divisions will be relocated next spring. The operations part of the business will remain in Ketchum until spring 2009. The company moved to Ketchum three years ago, but rapid growth caused them to reconsider locations. The company expects to grow by 60 employees in the next 18 months. It currently distributes goods through 1,500 retail outlets and exports to more than 22 countries.

JEROME COUNTY

- A new dairy related company manufacturing milk protein powder, concentrated filtered milk, lactose powder and cream plans to begin operating in Jerome by the winter of 2008. The first phase is estimated to cost \$80 million and will employ 65 workers as plant engineers, machine operators and maintenance workers earning an average wage of \$15 an hour with a competitive benefit package. The second and third phases are in development and testing stages. This company augments the industry cluster of milk manufacturing that has developed to support the exponential growth of large-scale dairies in Jerome and Gooding counties.

TWIN FALLS COUNTY

- Ireland-based Glanbia Foods, maker of cheese throughout the Magic Valley, has announced plans to direct 10 percent of its production toward organic cheese. Two years ago, the difference between the cost of standard milk and organic milk was substantial. It has since fallen by 50 percent, and the time is right to use the limited supply of locally grown organic milk. There is not a need for capital improvements for this new line of cheese since the machinery and equipment is cleaned to organic standards at the end of each day. Organic cheese will be produced in the first few hours of operation each day and then the lines will shift to conventional cheese production the rest of the day. The production goal is 8 to 10 million pounds of organic Cheddar, Colby and Monterey jack cheeses over the next year. It takes a minimum of two years for a dairy to be certified organic so production will not likely increase in the short-term. All of Glanbia's products are privately labeled by the companies purchasing the cheese.
- Jayco hosted a ribbon cutting at its new plant in the Urban Renewal area. This is its third facility in Twin Falls and is already producing 10 Jayco Flight Trail-

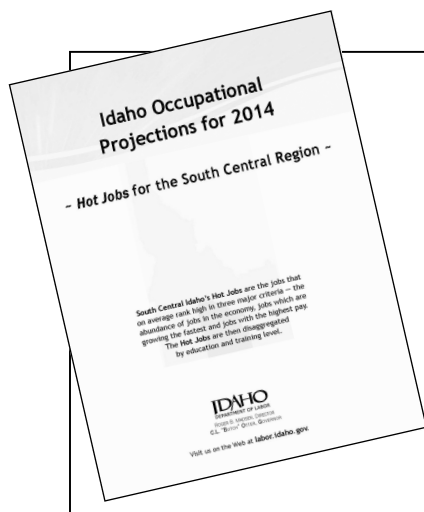
ers daily with a newly hired crew. Hiring and training continues, and Jayco believes it will realize a production goal of 20 trailers per day. Starting in December, a second line will be added to make the Jayco Octane, a trailer with a ramp that doubles as a toy hauler and retails for \$24,000. The Twin Falls manufacturer will turn out approximately 5,000 of the 35,000 trailers manufactured annually by Jayco with trailers from the Twin Falls plants valued at \$100 million.

- Pandora's Restaurant had a ribbon cutting for its new location in Historic Downtown Twin Falls, formerly occupied by Muggers Brew Pub. The new location has a meeting room and will feature live music on Friday nights. Pandora's features quiches and calzones from its previous menu along with a new array of treats.
- The Twin Falls Clinic and Hospital is transitioning into a government office building and currently houses a few staff from the County Assessor's department and election records along with 14 doctors. The clinic will be renovated prior to the County Commission moving in next May. Commissioners anticipate the 1947 vintage building that has been remodeled on three previous occasions will have another 25 years of usable life.
- Canyon View Psychiatric and Addiction Services closed its teenage program in August due to reduced demand. At the beginning of 2007, ten of the 12 beds were empty on average — beds that could be filled by adults, which is a growing client-base for the treatment center. Now teenagers needing the highest level of psychiatric care must travel to Boise, Idaho Falls or Coeur d'Alene for treatment. In August only seven teens were diverted to other hospitals and just two in September.
- The College of Southern Idaho is offering a new apprenticeship training program this year developed in cooperation with

the manufacturing community. Manufacturing maintenance is a four-year program producing a journeyman's certificate endorsed by the U.S. Bureau of Apprenticeship and Training. Tuition and books are \$4,000 for all four years. Many of the companies encouraging the program are reimbursing their employees at varying points. The courses include drafting, electrical systems, fluid dynamics, pumps and boilers along with math, physics, computer training and communication skills. An individual's investment in the course could pay for itself in about six months with an anticipated \$5 per hour raise based on achieving the higher journeyman skill level. Fifteen students were expected for this first semester, but 40 enrolled.

- The Department of Water Resources has extended the moratorium on geothermal pumping in a 140-square-mile area near Twin Falls. The moratorium was imposed in 1987 so this unique natural resource could possibly regain pressure. Studies had shown decreasing artesian pressure potentially due to those tapping into the spring down slope from the source. This is the fourth time the moratorium has been extended and will continue until 2012.
- The Federal Aviation Administration awarded Buhl \$525,000 to improve its airport. The funding is a key to keeping the small airport viable. The city will contribute \$25,000 toward the new concrete pads needed for both fueling and tie downs.
- The Buhl School Board has opted to save the last remnant of the old Buhl High School that was torn down earlier this year. The gym will undergo \$58,000 in restoration and safety improvements so it can be used for practices and give the kids another venue to

Jan Roeser, Regional Economist
420 Falls Ave., Twin Falls, ID 83301
(208) 735-2500, ext. 3639
E-mail: jan.roeser@labor.idaho.gov



HOT JOBS PUBLICATION AVAILABLE

South central Idaho's Hot Jobs are the jobs that on average rank high in three major criteria — the abundance of jobs in the economy, jobs that are growing the fastest and jobs with the highest pay.

This publication, available at lmi.idaho.gov, lists the disaggregated Hot Jobs by education and training level. From the Web site, choose Area LMI from the top menu. Then choose the region of interest from the statewide map.